



WISCONSIN

**DEPARTMENT OF WORKFORCE DEVELOPMENT**

Division of Workforce Solutions  
Bureau of Workforce Programs

**TO: Economic Support Supervisors  
Economic Support Lead Workers  
Training Staff  
Child Care Coordinators  
W-2 Agencies**

**FROM:** Stephen M. Dow  
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Workforce Policy Development Section

**BWP OPERATIONS MEMO**

**No.:** 01-86

**File:** 2731

**Date:** 12/27/2001

**Non W-2** ☒ **W-2** ☐ **CC** ☐

**PRIORITY:** Urgent

**SUBJECT: AVERAGE NURSING HOME PRIVATE PAY RATE**

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**CROSS REFERENCE:** MA Handbook, 14.5.0.  
Operations Memo 00-21

**EFFECTIVE DATE:** January 1, 2002

**PURPOSE**

This Operations Memo provides the new average nursing home private pay rate.

**BACKGROUND**

The average nursing home private pay rate is used to determine the length of Medicaid divestment penalty periods. The divested amount is divided by the average nursing home private pay rate and the whole number quotient of that equation is the number of months that the individual is penalized for the divestment.

The average nursing home private pay rate is derived from data presented in the annual report, "Wisconsin Nursing Homes and Facilities for the Developmentally Disabled". This report summarizes statistical information about Wisconsin nursing homes and their residents. The source of the data in the report is the 2000 Annual Survey of Nursing Homes, which was conducted by the Wisconsin Department of Health and Family Services, Division of Health Care Financing.

To determine the average private pay rate for nursing homes in Wisconsin, we consider the private pay daily rate at the 4 most common levels of care. We take into account the number of

residents at each level of care as of 12/31/00 to arrive at a weighted average. The average daily rate is then converted to a monthly amount.

	Per Diem Cost	Number of residents on 12/31/00	Weighted Average	
Intensive Skilled Nursing	\$ 154	126	19404	
Skilled Nursing Facilities	\$ 142	6,495	922,290	
Intermediate Care Facilities	\$ 128	473	60,544	
Limited Care Facilities	\$ 118	51	6,018	
Totals		7,145	1,008,256	\$ 141.11
Weighted Average Private Pay Cost/Month				\$ 4,292.10

### **NEW AMOUNT**

The new average nursing home private pay rate is \$4,292.00. Beginning January 1, 2002, use the new amount when determining all new divestment penalty periods.

Use the new amount to recalculate divestment penalty periods that have been determined prior to that date when requested by the applicant/recipient or his/her representative.

Please make write-in changes in your *MA Handbook* in the appropriate places in 14.5.0. A revision will be made in a future release.

### **CARES**

A CARES reference table change has been made to use the new amount for divestment penalty calculations beginning 1/2/02.

### **CONTACTS**

DES CARES Information and Problem Resolution Center

Email: [carpolcc@dwd.state.wi.us](mailto:carpolcc@dwd.state.wi.us)  
 Phone: 608-261-6317 (Option #1)  
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**Note:** Email contacts are preferred. Thank you.